

Message Text

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ORIGIN EA-09

INFO OCT-01 EUR-12 ISO-00 PA-02 PRS-01 /025 R

DRAFTED BY EA/P:STAFF:PP
APPROVED BY EA/P:MSMITH

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R 071727Z JAN 76
FM SECSTATE WASHDC
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMCONSUL NAHA
AMEMBASSY MOSCOW
INFO CINCPAC
COGARD
GOVGUAM
TREASURY
XMT AMEMBASSY SUVA
AMEMBASSY RANGOON

UNCLAS STATE 003386

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JANUARY 7 EA PRESS SUMMARY

1. CHINA

UPI (ROME) CITES VATICAN RADIO REPORT THAT WHILE OVER 120 CHINESE JESUITS BELIEVED STILL LIVING IN PRC, SOCIETY OF JESUS HAS HAD DEFINITE NEWS OF ONLY THREE. BROADCAST SAID ONE CHINESE JESUIT LIVING IN EXILE RECENTLY RECEIVED LETTER FROM HIS FAMILY SAYING ONE OF HIS BROTHERS, ALSO JESUIT, WHO WAS SENTENCED TO 20 YEARS AT HARD LABOR, WAS GRANTED TWO-WEEK LEAVE TO VISIT RELATIVES; LETTER SAID SIMILAR LEAVES GRANTED TWO OTHER IMPRISONED JESUITS (NYT).

TAIWAN'S ELECTRIC POWER SUPPLY FAILED WHEN SMALL PLANE UNCLASSIFIED

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HIT HIGH-TENSION LINE. ISLAND-WIDE BLACKOUT FORCED FACTORIES CLOSE, TRAPPED THOUSANDS IN ELEVATORS, CREATED HUGH TRAFFIC JAMS (WSJ).

2. AUSTRALIA

FIRST CODEL VISITING AUSTRALIA IN 10 YEARS--SENS HOLLINGS, GRIFFIN, BAKER, CULVER, MORGAN (TOGETHER WITH WIVES, AIDES)--ARRIVED TUESDAY FOR TALKS WITH FRASER, FLYING

IN FROM GUAM AS PART OF PACIFIC COUNTRIES TOUR (AP, NYDN). GROUP WILL ALSO HAVE TALKS WITH PEACOCK, WHITLAM (NYT).

3. INDONESIA

THREE DROWNED, ABOUT 10,000 EVACUATED WHEN FLOODS SWEPT THROUGH JAKARTA NORTHERN SUBURBS AFTER THREE DAYS OF RAIN, POLICE REPORTED TUESDAY (WP).

4. INDOCHINA

GEN GIAP IN ALGIERS MEETS WITH LEADERS ALGERIAN-BACKED MOVEMENT FIGHTING FOR INDEPENDENCE SPANISH SAHARA (WP; CSM). NVN REPORTS MIL PREPARATIONS AGAINST ARMED REBELS IN DARLAC, SVN (WP).

CSM'S SOUTHERLAND AT VIENTIANE QUOTES PDJ REPORTS THAT UNEXPLODED BOMBS, SHELLS, MINES HAMPER RICE HARVEST, HAVE KILLED AT LEAST 20 ACCIDENTALLY.

5. THAILAND

KUKRIT ABANDONS PLANS RAISE RICE PRICE, ENDS CONFRONTATION WITH TRADE UNIONS. PM ALSO STRENGTHENS HOLD ON OFFICE IN DEAL THAT BRINGS 19 MEMBERS OPPOSITION SOCIAL AGRARIAN PARTY ONTO GOVT SIDE, GIVING HIM SECURE LEGISLATURE MAJORITY (WP; REUTER, NYT).

ONE RTG POLICEMAN KILLED BY KR MINE IN BORDER AREA, FOLLOWED BY EXCHANGE FIRE FROM THAI POLICE, KR TROOPS UNCLASSIFIED

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(REUTER BANGKOK).

6. MALAYSIA

FIRST PERSON EXECUTED UNDER 1971 LAW INCREASING PENALTIES FOR USE FIREARMS HANGED FOR SHOOTING AT POLICE OFFICERS TRYING ARREST HIM (AP, NYDN).

7 HONG KONG

GOVT LAUNCHES CAMPAIGN TRY MAKE PUBLIC AWARE NOISE AS ENVIRONMENTAL POLLUTANT; URGES PEOPLE REDUCE VOLUME STEREOS, TV SETS; SUGGESTS MAH JONGG PLAYERS USE

INSULATED TABLE TOPS (AFP, WP).

8.JAPAN

MIKI TOLD PRESS MONDAY PEACE TREATY WITH SOV DEPENDS ON

RETURN OF FOUR NORTHERN ISLANDS. EXPRESSED HOPE COULD SIGN PEACE TREATY WITH PRC THIS YEAR. PM STATED VIEWS FOUR DAYS BEFORE GROMYKO ARRIVAL FOR TALKS ON PEACE PACT. MFA SOURCES SAID PESSIMISTIC ABOUT OUTCOME, ON GROUNDS SOV WILL TRY EXPLOIT TERRITORIAL ISSUE TO INFLUENCE JAPAN'S NEGOTIATIONS WITH PRC (WSTAR 1/6). GROMYKO DUE ARRIVE JAPAN FRIDAY, FOR TWO ROUNDS TALKS WITH MIYAZAWA, AUDIENCE WITH EMPEROR (REUTER, NYT).

CABINET AGREES WITH MIKI SUGGESTION ALL MEMBERS INVEST 12 PCT OF SALARIES PER MONTH IN GOVT BONDS. PM HOPES MOVE WILL ENCOURAGE PUBLIC BUY 23.7 BILLION DOL BOND ISSUE GOJ PLANS FLOAT IN JFY 76 TO FINANCE DEFICIT (WSJ). MIKI SALARY 4,200 DOLS/MO, OTHER CABINET MEMBERS 2,800 DOLS/MO (AP NYDN, NYT).

SPOKESMAN SAYS MITSUI AND CO AGREED IN PRINCIPLE WITH TOYO ENGINEERING, LUMMUS CO IN UK, TO BUILD FERTILIZER COMPLEX IN POLAND, BUT CONTRACT SUBJECT TO JAPAN EX-IM BANK LOAN. PRESS SPECULATES PLANT VALUED AT 450 MILLION DOLS, LOAN ABOUT 250 MILLION DOLS (WSJ, TOKYO).

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MITSUBISHI PLANS OFFER 30 MILLION DOLS WORTH 15-YR CONVERTIBLE BONDS IN EUR IN FEB TO FINANCE CAPITAL SPENDING, THROUGH MORGAN STANLEY IN UK, NOMURA-EUR IN HOLLAND. NIKKO SECURITIES OF BRITAIN (WP).

MAIN HALL, SIX OTHER STRUCTURES OF HEIAN SHRINE, KYOTO, DESTROYED BY FIRE TUESDAY, THREE OTHERS DAMAGED. POLICE SUSPECT ARSON (UPI NYT, NYDN).

9. KOREA

NYT SPECIAL (SEOUL) CITES "KNOWLEDGABLE SOURCES" THAT OIL DISCOVERED THREE WEEKS AGO, ON LAND, 200 MILES SE OF SEOUL, NEAR GULF OF YONGIL. IF TRUE, MARKS FIRST OIL STRIKE IN SK.

COMMENT AND ANALYSIS

10. JAPAN

JOC'S TELFER IN TOKYO CITES US, JAPANESE FINANCIAL SOURCES WHO BELIEVE TOKYO'S BID BECOME REGIONAL

CAPITAL CENTER FOR ASIA STILL "LIVE, THOUGH DISTANT" PROPOSITION. FINDS REDUCED INFLATION, MODERATION OF WAGE INCREASES, IMPROVEMENTS IN JAPAN'S TRADE, CURRENT ACCOUNT AGAIN STIRRING TALK OF LONG-AWAITED DOLLAR MARKET, THAT WAS STALLED BY OIL CRISIS TWO YEARS AGO.

PHINQ, IN EXAMINATION OF PRESENT CONDITION OF US STEEL INDUSTRY, NOTES WSJ REPORT THAT IMPORTS THROUGH OCTOBER LAST YEAR DECLINED 18 PCT BELOW 1974. QUOTES JONES AND LAUGHLIN STEEL PRES THOMAS GRAHAM SAYING IMPORT SITUATION "DRAMATICALLY AND PERHAPS PERMANENTLY" CHANGED, BECAUSE EUR, JAPANESE COMPETITORS EXPERIENCED "SHARPLY INCREASED COSTS FOR LABOR, RAW MATERIALS AND ENERGY.' GRAHAM CONCLUDES "ERA OF CHEAP FOREIGN STEEL HAS GONE THE WAY OF CHEAP FOREIGN OIL, NEVER TO RETURN." PHINQ STATES THIS DOESN'T MEAN FOREIGN PRODUCERS WON'T TRY COMPETE, AND SHOULD SINCE COMPETITION LIFE OF TRADE. CONCLUDES MAY HAVE BEEN GOOD REASON TO PROTECT "INFANT INDUSTRIES" IN EARLY DAYS OF REPUBLIC, BUT CALLS ON UNCLASSIFIED

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AMERICAN INDUSTRY TO ACT LIKE ADULT IT NOW IS.

11. JAPAN/KOREA

WP'S JONES, IN THIRD OF SERIES ON GULF OIL POLITICAL CONTRIBUTIONS, NOTES FIRM GAVE ONE MILLION DOLS 1966, THREE MILLION DOLS 1970, IN RESPONSE SOLICITATION BY SKOREA'S DRP. SAYS COMMITTEE HEADED BY JOHN J. MCCLOY FOUND EXAMPLES AROUND WORLD OF FIRM'S LARGESSE -- PAYMENTS, DONATIONS, Bribes, KEPT HIDDEN FOR YEARS FROM STOCKHOLDERS AND, IN MANY CASES, BOARD OF DIRECTORS. NOTES MANY OUTLAYS NOT ILLEGAL, REPRESENT NORMAL BUSINESS PRACTISE IN COUNTRIES INVOLVED. SAYS MCCLOY UNCOVERED KICK-BACK SCHEME IN WHICH GULF OVERBILLED CRUDE OIL SOLD JAPANESE REFINER, DEPOSITED EXCESS OF OVER FOUR MILLION DOLS SINCE 1968, AT CUSTOMER'S REQUEST, IN BERMUDA BANK, TO AVOID GOJ FOREX RESTRICTIONS.

12. INDOCHINA

IN REVIEW PAST YR'S EVENTS, PAT BUCHANAN (BOST H-A 1/1) NOTES 25 MILLION INDOCHINESE ABSORBED INTO COMMUNIST WORLD. BELIEVES HUNDREDS OF THOUSANDS TEACHERS, CIVIL SERVANTS, POLITICIANS, SOLDIERS, POLICE, OTHERS HAVE OR WILL PAY WITH LIVES FOR CASTING LOT WITH US. SAYS US ANTI-WAR MOVEMENT, BY "THUNDEROUS SILENCE" IN FACE REPRESSION IN SAIGON, GENOCIDE IN CAMBODIA, PROVES NEVER CONCERNED ABOUT RELIGIOUS FREEDOM, CIVIL RIGHTS, COALITION GOVTs, OTHER PRINCIPLES; BUT SOUGHT ANY AVAILABLE STICK TO BEAT THIEU GOVT, END US AID, VALIDATE ITS ENDLESS PREDICTIONS OF COMMUNIST

VICTORY. CONCLUDES DEFEAT MADE INEVITABLE WHEN WILL, SPIRIT US CONGRESS, COUNTRY, GAVE WAY 18 MOS BEFORE GVN DEFEAT IN HIGHLANDS. ADDS NIXON DOCTRINE DEAD IN WORLD.

13. PACIFIC ISLANDS

BOST H-A (12/30) NOTES DOZEN SENATORS STARTING SOUTH SEA TRIP, THOUGH AREA NOT ONE OF CRISIS SPOTS IN WORLD NOW. MAKES SARDONIC COMMENTS ABOUT JUNKET, COST; OBSERVES UNCLASSIFIED

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RIBICOFF "GETTING AWAY FROM THE SNOW - WE MEAN, IS GETTING AWAY TO INSPECT THE CRITICAL SITUATION IN THE SOUTH SEAS." ON 1/2, H-A NOTES DURKIN REJECTED OFFER OF 18-DAY SOUTH SEA TRIP, SALUTES HIM FOR DECISION; COMMENTS THAT IF FEW MORE TURN IT DOWN, MAYBE REMAINING GROUP CAN SIGN UP FOR QANTAS ECONOMY CLASS TOUR.

14. AUSTRALIA

CSM'S VICKERS, SYDNEY, SUGGESTS AUSTRALIA'S GROWING INVOLVEMENT WITH ASIA COULD WELL AFFECT COUNTRY'S LIFE-STYLES IF PRESENT PACE CONTINUES. WHILE "WHITE AUSTRALIA" IMMIGRATION POLICY STILL MAINTAINED IN PRACTICE, DIFFERENCE NOW THAT IT HAS BEEN DISCARDED OFFICIALLY IS THAT IMMIGRATION IS BASED ON PRAGMATIC ASSESSMENT OF WHAT IS SOCIALLY FEASIBLE, RATHER THAN ON IGNORANCE/PREJUDICE. AT WORST, FEW ASIANS LIVING IN COUNTRY MEET ONLY OCCASIONAL, MILD RUDENESS. SIMILARLY, ASIAN STUDENTS ATTENDING UNIVERSITIES IN INCREASING NUMBERS; AND PRC LOSING NO TIME PURSUING OPPORTUNITIES FOR CULTURAL/TRADE EXCHANGES WITH AUSSIES. WHILE ASIA SEEMS DRAWING CLOSER TO AUSTRALIA, AUSSIES TRAVELING IN FAST-GROWING NUMBERS TO SEE SIGHTS, ASSESS COMMERCIAL POSSIBILITIES, AMONG NEIGHBORS TO NORTH.

WITH NEW GOVT UNDER STRONG RURAL/MINING INDUSTRIES PRESSURE TO DEVALUE CURRENCY, JOC'S STOVE SAYS STEP EXPECTED SOON. OBSERVES FARM LOBBY MOST VOCAL IN URGING DEVALUATION, AND NEW GOVT'S INNER CABINET OF 12 HAS SIX FARMERS, INCLUDING FRASER HIMSELF, WHO IS SHEEP/CATTLE RANCHER. CONTENDS DEVALUATION WOULD HAVE FAVORABLE SHORT-TERM COSMETIC EFFECT ON COUNTRY'S ECONOMY, BOOSTING NEW GOVT'S IMAGE AS GEARED FOR QUICK RETURN TO PRE- RECESSION BUOYANCY, AND HELPING AUSSIE MANUFACTURERS.

15. GENERAL

RETURNING FROM LENGTHY TRIP, NYT'S SULZBERGER SEES US FOREIGN POLICY HANDICAPPED BY WEAK EXECUTIVE AND BY ILL-INFORMED LEGISLATURE -- WHICH INSISTS STRONG

EXECUTIVE DANGEROUS "(AS 'PROVEN' BY WATERGATE)"
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AND FOREIGN INTERVENTION FOR ANY REASON IS DISASTROUS
"(AS 'PROVEN' BY VIETNAM)." MAINTAINS THAT ALTHOUGH
OFTEN CUSTOMARY TO ASSERT ASIAN "DOMINO THEORY" WAS

WRONG, TRUTH IS JUST CONTRARY -- WE WERE SIMPLY UNABLE
STABILIZE THINGS. SEES SHARP REMINDER OF DANGER
COMING FROM PEKING, WHICH HAS GONE OUT OF ITS WAY
TO PRAISE NIXON PRESIDENCY VIS-A-VIS FORD'S AND IN
SIGNAL TO WH HAS NOW CLEARLY HINTED, BY RELEASE OF
SOVIET HELICOPTER CREW, THAT IF US CONTINUES WAFFLING,
PRC HAS ALTERNATIVE OF COMPOSING QUARREL WITH SOVIET.
KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 15 SEP 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE003386
Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:PP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D760006-0050
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760199/baaaenwz.tel
Line Count: 290
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: castelsl
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2004 by barnescd>; APPROVED <17 AUG 2004 by castelsl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JANUARY 7 EA PRESS SUMMARY
TAGS: PFOR, SOPN, XC, US
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
NAHA
MOSCOW INFO CINCPAC
COGARD
GOVGUAM
TREASURY

XMT SUVA

RANGOON

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006